TCL Specialties LLC.
Financials Statements
31 March 2026 and
31 March 2025

Pranas Accounting Tax & Bookkeeping Services, Inc

Independent Auditor's Report

To the Board of Directors of

TCL Specialties LLC.

Opinion

We have audited the accompanying comparative financial statements of TCL Specialties LLC (the "Company"), which comprise of the balance sheets and statement of Change in Member's interests as of March 31, 2026, and March 31, 2025, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of TCL Specialties LLC. as of March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered taken together, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities on the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

Los Angeles: +1 (310) 452-8603
Chennai: +91 (44) 4201 4626
Headquarters: 2116 Wilshire Blvd,
Suite #241, Santa Monica CA - 90403
www.venturapranas.com
contact@venturapranas.com

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or taken together, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Pranas Accounting, Tax and Bookkeeping Services, Inc.

2116, Wilshire Blvd

Suite#241

Santa Monica, CA 90403

Date :

Los Angeles: +1 (310) 452-8603
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www.venturapranas.com
contact@venturapranas.com

TCL Specialties LLC.
Balance Sheet / Statement of Financial position
As of 31st March 2026, and 31st March 2025

Particulars	31st March 2026	31st March 2025
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,525,055	$ 7,564,629
Inventories	35,558	-
Prepaid Expenses	217,586	1,648,424
Other Assets	263,388	432,367
Total Current Assets	**2,041,587**	**9,645,420**
Property, Plant and Equipment, net	264,473,890	153,186,037
Intangible assets, net	28,049	-
Restricted Cash	18,425,499	18,904,447
Right-of-use assets, net	7,417,285	7,698,482
Other Financial Assets	258,686	342,972
Capital Advance	236,683	1,093,864
Total Non -Current Assets	**290,840,093**	**181,225,802**
Total Assets	**292,881,680**	**190,871,222**
Liabilities and Members' Interest		
Current Liabilities		
Borrowings	21,632,872	14,978,123
Provisions	27,864,158	2,998,142
Other financial liabilities	21,872,820	7,031,668
Total Current Liabilities	**71,369,851**	**25,007,933**
Borrowings	61,994,548	51,538,961
Lease Liabilities	8,633,031	8,529,118
Other financial liabilities	15,406,582	15,296,134
Other non-current liabilities	4,800,000	4,800,000
Total Non -Current Liabilities	**90,834,161**	**80,164,213**
Members' Interest		
Members' Interest	130,677,668	85,699,076
Total Members' Interest	**130,677,668**	**85,699,076**
Total Liabilities and Members' Interest	**$ 292,881,680**	**$ 190,871,222**

See accompanying Notes

TCL Specialties LLC.
Statement of Changes in Members' Interest
As of 31st March 2026, and 31st March 2025

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025	For the year ended 31st March 2024	For the year ended 31st March 2023
	Amount	Amount	Amount	Amount
Members' Interest				
Balance at the beginning of the year	$ 87,033,400	$ 36,048,547	$ 24,980,000	$ 19,230,000
Capital Contribution	45,741,114	50,209,668	10,000,000	5,750,000
Other Contribution - Guarantee fee waiver **	376,911	775,185	1,068,547	-
Balance at the close of the year	**133,151,425**	**87,033,400**	**36,048,547**	**24,980,000**
Accumulated Deficit				
Balance at the beginning of the year	(1,709,905)	(1,581,388)	(1,276,101)	(264,327)
Deficit for the year	(992,706)	(128,516)	(305,287)	(1,011,774)
Balance at the close of the year	**(2,702,611)**	**(1,709,905)**	**(1,581,388)**	**(1,276,101)**
Accumulated other comprehensive income				
Balance at the beginning of the year	**375,581**			
Add/(less) movement during the year	(146,727)	375,581	-	-
Balance at the close of the year	**228,854**	**375,581**	**-**	**-**
Total Member's interest	**$ 130,677,668**	**$ 85,699,076**	**$ 34,467,158**	**$ 23,703,899**

** *Refer Note 10.1 - Waiver of Guarantee Fee by Ultimate Holding Company*

See accompanying Notes

TCL Specialties LLC.
Statement of Operations
For the years ended 31st March 2026 and 31st March 2025

Particulars	31st March 2026	31st March 2025
Net Revenue		
Revenue from operations	$ -	$ -
Interest Income	509,653	823,213
Other Income	42,505	23,691
Total Income	**552,159**	**846,904**
Cost of material consumed	**-**	
Operating Expenses		
General and Admin Expenses	975,998	391,359
Interest on Lease Liability	438,964	434,729
Other borrowing cost	-	32,609
Total Operating Expenses	**1,414,962**	**858,697**
Non Operating Expenses		
Depreciation and Amortisation	14,661	8,188
Amortisation of Right-of-Use Assets	115,242	108,535
Total Non Operating Expenses	**129,903**	**116,723**
Net deficit before income taxes	**(992,706)**	**(128,516)**
Provision for income taxes	-	-
Deferred Tax	-	-
Net Deficit after taxes	**(992,706)**	**(128,516)**
Other comprehensive income:		
Cash Flow Hedge Reserve	(146,727)	375,581
Net Income/(Deficit)	**$ (1,139,433)**	**$ 247,065**

See accompanying Notes

TCL Specialties LLC.
Statement of Cash Flows
For the years ended 31st March 2026 and 31st March 2025

Particulars	31st March 2026	31st March 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**$ (992,706)**	**$ (128,516)**
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortisation	129,903	116,723
Finance Cost	438,964	434,729
Interest Income	(509,653)	(929,452)
Other borrowing cost	(28,685)	32,609
Changes in assets and liabilities		
Prepaid expenses and other assets	1,564,259	(556,439)
Provisions	24,866,016	1,866,319
Other financial liabilities	14,841,152	(597,189)
Net cash provided by (used in) operating activities	**40,309,249**	**238,783**
CASH FLOWS FROM INVESTING ACTIVITIES		
Development of Capital Work in Progress	(104,944,678)	(69,640,119)
Purchase of Fixed assets	(16,835)	(37,030)
Purchase of Intangible assets	(28,850)	-
Changes in capital advance & creditors	857,181	1,538,758
Movement in balances with bank other than those mentioned in cash & cash equivalents	478,948	2,916,775
Interest Received	509,653	823,213
Net cash provided used in investing activities	**(103,144,581)**	**(64,398,403)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Contribution	45,741,114	50,984,853
Proceeds from Borrowings	17,099,970	12,499,965
Repayment from Borrowings	-	(2,081,201)
Interest Payment	(5,876,233)	(5,620,242)
Payment of Lease liability	(169,092)	(169,092)
Net cash provided by financing activities	**56,795,759**	**55,614,283**
Net cash flows	(6,039,574)	(8,545,337)
Cash and cash equivalents at beginning of the period	7,564,629	16,109,965
Cash and cash equivalents at end of the period	**1,525,055**	**7,564,629**
Cash and cash equivalents comprise of:		
Balances with banks - in current accounts	1,525,055	7,564,629
Cash and cash equivalents	**$ 1,525,055**	**$ 7,564,629**

Refer Note 15: Supplemental Disclosures of Cash Flow Information

See accompanying Notes

Note 1. Summary of Significant Accounting Policies

General business overview:

TCL Specialties LLC is a Limited Liability Company formed and registered on May 30, 2019, in the State of Delaware. TCL Specialties LLC is a wholly owned subsidiary of TCL Inc, also a Delaware incorporated C Corporation; and its ultimate holding company is Thirumalai Chemicals Limited domiciled in India. The company is authorized to transact business as a foreign limited liability company in the state of West Virginia, as evidenced by a certificate of authority of a foreign limited liability company dated July 16, 2020, issued by the West Virginia secretary of State.

TCL Specialties LLC intends to construct, own, and operate an integrated manufacturing facility (hereinafter referred to as "the Project") producing malic acid, fumaric acid, maleic anhydride and other chemical derivatives in Proctor, Marshall County, West Virginia. TCL Specialties LLC will also engage in the trading of goods, including general exports and imports, for supply within the United States and other emerging markets.

The Project, which was originally expected to commence operations by December 2024, is now expected to begin operations by June 2026, due to delays in construction and related factors.

Basis of Presentation of Financial Statements

The Financial statements for the year ended 31st March 2026 have been prepared in accordance with the accounting policies generally accepted in the United States ("GAAP"). The information herein reflects all normal recurring material adjustments, which are, in the opinion of management, necessary for a fair statement of the results for the periods presented.

These financial statements present the financial position, results of comprehensive income, cash flows and statements of member's interest. Certain immaterial reclassifications have been made in the financial statements of prior periods to conform to the current period presentation. These reclassifications had no material impact on previously reported net income, total member's interest, or cash flows.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments. These estimates and judgments affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities (if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid investments with original maturities of three months or less.

Revenue Recognition

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control is deemed to be transferred when the products are delivered, accepted, and acknowledged by the customers and there is no unfulfilled obligation that could affect the customer’s acceptance of the product. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes taxes and is net of rebates and discounts.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The company has not commenced operations and, as a result, has not generated any revenue for the periods ended 31st March 2026 and 31st March 2025, except for income earned from the sale of scrap. This income is recognized when control over the goods is transferred and is presented under "Other Income" in the financial statements.

Contract Assets and Contract Liabilities

Contract assets are recognized when the Company has transferred goods or services to a customer before the customer pays consideration or before payment is due. Contract liabilities are recognized when consideration is received from a customer prior to the transfer of goods or services to the customer.

As the Company has not commenced commercial operations, no contract assets or contract liabilities were recognized as of the reporting dates.

Property, Plant, and Equipment and Intangible Assets

Property and equipment are stated at cost less accumulated depreciation and amortization. Cost includes all expenditures directly attributable to bringing the asset to its intended use. Depreciation and amortization is provided on a straight-line basis over estimated useful lives. Subsequent costs incurred after the initial acquisition are capitalized only when they increase the future economic benefits of the asset beyond its originally assessed standard of performance. Repair and maintenance costs that do not meet this criterion are expensed as incurred.

Construction-in-progress is stated at cost. No depreciation expense is recorded on construction-in-progress until such time as the relevant assets are completed and put into use.

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

Impairment of Long-Lived Assets

Long-lived assets, including right-of-use lease assets and Construction in progress assets are evaluated for impairment when events or circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. Events or circumstances that would result in an impairment review primarily include a significant change in the use of an asset or the planned sale or disposal of an asset. The asset would be considered impaired when there is no future use planned for the asset or the future net undiscounted cash flows generated by the asset or asset group are less than its carrying value. An impairment loss would be recognized based on the amount by which the carrying value exceeds fair value.

Assumptions and estimates used to determine cash flows in the evaluation of impairment and the fair values used to determine the impairment are subject to a degree of judgment and complexity. Any changes to the assumptions and estimates resulting from changes in actual results or market conditions from those anticipated may affect the carrying value of long-lived assets and could result in an impairment charge.

Foreign Currency Translation

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance sheet date and the resultant exchange gains or losses are recognized in the Statement of Profit and Loss.

The company considers non-refundable prepayment for assets (advance payments) as non-monetary and consequently does not restate it using the closing rate at the year end. As a result, when the asset is delivered and recorded in the books of account, the difference arising because of varying foreign exchange rates is not recognized as foreign currency translation loss/gain.

Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Derivatives

The Company uses derivative financial instruments to manage exposure to interest rate and other market risks. All derivatives, whether designated as hedging instruments or not, are recorded on the balance sheet as either assets or liabilities and measured at fair value.

Derivatives Not Designated as Hedges: Changes in fair value are recognized in earnings in the period of change.

Derivatives Designated as Hedging Instruments: If the derivative qualifies for hedge accounting and is designated as:

- **Cash Flow Hedge**: The effective portion of the gain or loss is recorded in other comprehensive income (OCI) and reclassified into earnings in the period in which the hedged item affects earnings. The ineffective portion is recognized in earnings immediately.

- **Fair Value Hedge**: Changes in the fair value of both the derivative and the hedged item are recorded in earnings.

- **Net Investment Hedge**: The effective portion is reported in OCI as part of the cumulative translation adjustment; ineffective portions in earnings.

Initial and Subsequent Measurement

Derivatives are initially recognized at fair value on the trade date. Subsequent changes in fair value are recorded based on the type of hedge designation (or through earnings if not designated). Refer to Note 3 for additional details regarding the derivative arrangements disclosed in these financial statements.

Note 2: Cash and Bank

The following table summarizes the cash and bank position of the company as of 31st March 2026 and 31st March 2025 as follows,

Cash and Cash equivalents	**As of 31st March, 2026**	**As of 31st March, 2025**
Balance with banks in current accounts	$ 1,219,554	$ 7,060,586
Deposit accounts (with original maturity less than 3 month)	-	-
Other deposits	$ 305,501	$ 504,043
Total	**$ 1,525,055**	**$ 7,564,629**

Cash and cash equivalents include cash in banks and highly liquid investments with original maturities of three months or less.

Other deposits represent interest earned on restricted cash held in money market accounts. While the underlying restricted cash is not included in other deposits, the interest income generated from these accounts is unrestricted. A portion of this interest was used for operational purposes during the year, with the remaining amount retained in the money market accounts and classified under 'Other Deposits' within cash and cash equivalents.

Restricted amounts of cash that are segregated and classified separately as non-current assets as per guidance provided by ASC 210-10-45-4 are as follows.

Restricted amounts of cash	**As of 31st March 2026**	**As of 31st March 2025**
Cash Collateral held with banks	$ 18,425,500	$ 18,904,447

** Breakup of the balances with bank held as margin money is as follows,

	Amount
Current Account – Huntington Bank	$ 500
Cash Collateral – Huntington Bank*	$ 3,425,000
Money Market Account - Huntington Bank**	$ 15,000,000
Total	**$ 18,425,500**

*Cash collateral to the extent of USD 3,425,000 is maintained in Huntington Bank as security for commercial standby letter of credits issued by the banks.

**This account was primarily opened to receive the USD 15 Million construction loan sanctioned by West Virginia Economic development Authority (Refer Note 7.2 & 7.3).

Note 3: Financial Assets

Derivative Instruments and Hedging Activities

The Company has entered into two interest rate swap contracts to hedge its exposure to variability in interest payments on a USD 65 million floating-rate construction loan obtained from EXIM Bank. These swaps cover a combined notional amount of USD 35 million.

The first contract is a regular interest rate swap on USD 17.5 million, effective from April 1, 2024, to April 2, 2029. Under this agreement, the Company pays a fixed interest rate of 3.40% and receives interest at a floating rate based on 3-month SOFR. This swap has been designated as a hedging instrument (cash flow hedge) and qualified for hedge accounting under ASC 815. Accordingly, Changes in the fair value of the effective portion of this hedge are recorded in other comprehensive income (OCI) and reclassified into earnings in the same period during which the hedged interest payments affect earnings.

The second contract is a knockout interest rate swap on USD 17.5 million, effective from April 1, 2024, to April 1, 2029. Under this agreement, the Company may pay either a fixed rate of 3.15% or 3-month SOFR, depending on conditions specified in the contract. The second contract includes a knockout feature that introduces variability in the hedge relationship. The Company has designated the entire derivative as a cash flow hedge. However, due to the presence of the knockout feature, a portion of the hedge is ineffective and is recognized in the statement of operations, while the effective portion is recognized in other comprehensive income.

As of March 31, 2026, the Company held two interest rate swap contracts, both designated as cash flow hedges of variable interest rate exposure. The vanilla swap is considered highly effective, while the knockout swap gives rise to hedge ineffectiveness due to its embedded conditional feature. The aggregate fair value of the derivative instruments, excluding net settlement receivables, was a derivative asset of USD 225,050. In addition, net settlement amounts receivable of USD 33,636 arising from the swap contracts were included within Other Financial Assets. Accordingly, the total balance presented under non-current "Other Financial Assets" in the accompanying financial statements amounted to USD 258,686 as of March 31, 2026.

During the year ended March 31, 2026, the effective portion of the change in fair value of the hedging instruments amounting to USD 228,854 was recognized in Other Comprehensive Income ("OCI") and included in Accumulated Other Comprehensive Income ("AOCI") as part of the cash flow hedge reserve. The ineffective portion attributable to the knockout swap amounting to USD 3,924 was recognized in the statement of income under borrowing costs.

The cumulative gain recognized in AOCI related to the cash flow hedges amounted to USD 228,854 as of March 31, 2026, compared to USD 375,581 as of March 31, 2025, representing a net decrease of USD 146,727 recognized in OCI during the year.

As the Company has not yet commenced commercial operations, all interest and borrowing-related costs, including net settlement receipts or payments arising from the interest rate swap contract, have been capitalized to capital work-in-progress in accordance with ASC 835-20. For the period ended March 31, 2026, the net receipts from the swap amounted to USD 277,439. The construction project is expected to be completed by June 2026.

Furthermore, as the plant is currently under construction and all interest costs have been capitalized as borrowing costs, the hedged interest payments do not impact earnings during the period. Accordingly, the amount recognized in the cash flow hedge reserve has not been reclassified to the statement of operations. The estimated amount expected to be reclassified from Accumulated other comprehensive income into earnings within the next 12 months is USD 228,854. This amount will be reclassified into earnings once the Company commences operations, scheduled for June 30, 2026, provided there are no delays in the start of operations.

In addition to managing interest rate risk through derivative instruments, the Company monitors its exposure to other financial risks, including credit risk, liquidity risk, and foreign currency risk. As of March 31, 2026, the Company did not have significant foreign currency exposure or other market risks requiring hedging. Counterparty risk related to derivative contracts is managed by transacting only with creditworthy financial institutions. The Company maintains adequate liquidity reserves to meet funding requirements for its ongoing construction activities.

Note 4: Property, Plant and Equipment and Intangible Assets

4.1. Property, Plant and Equipment

Property and Equipment (which are carried at cost) as of 31st March 2026 and 31st March 2025 are as follows:

	As of 31st March, 2026	As of 31st March, 2025
Vehicles	$ 48,418	$ 48,418
Computer Equipments	$ 21,052	$ 10,150
Office Equipments	$ 5,932	-
Construction in progress **	$ 264,425,854	$ 153,140,976
Property and Equipment – gross	$ 264,501,256	$ 153,199,543
Less: Accumulated depreciation	($ 27,366)	($ 13,507)
Property and Equipment - net	**$ 264,473,890**	**$ 153,186,037**

The estimated service lives of property and equipment are principally as follows,

	Estimate useful life in years
Vehicles	5 years
Computer Equipment's	5 years
Office Equipment's	3 years

Depreciation expenses were $ 13,860 and $ 8,188 for the year ended 31st March 2026 and 31st March 2025 respectively.

** **Construction in progress:**

The Project remains under construction and is now expected to commence operations by the end of June 2026, revised from the originally planned commencement in December 2024. Accordingly, all directly attributable project costs continue to be capitalized under property, plant, and equipment as construction in progress.

Construction in progress makes up 90% and 80% of the total assets of the company as of 31st March 2026 and 31st March 2025 respectively.

The Company has entered into a Master Supply Agreement with its ultimate holding company in India for the design, manufacture, and supply of plant and machinery required for the commencement of its operations in the United States. Under the terms of the agreement, the holding company is responsible for manufacturing the modules and equipment in India, performing the necessary testing procedures, and shipping the completed assets to the United States for installation and commissioning.

The plant and machinery manufactured under the arrangement are specifically designed for the Company and do not have an alternative use to the holding company. Further, pursuant to the agreement, the holding company has an enforceable right to payment for performance completed to date at specified contractual milestones. Based on these factors, the Company has concluded that it obtains control over the assets during the construction and manufacturing phase and, accordingly, capitalizes the related expenditures as construction work in progress within property, plant, and equipment.

As of March 31, 2026, substantially all plant and machinery covered under the agreement had been manufactured and supplied by the holding company. Accordingly, there were no significant assets remaining under development in India as of the reporting date, other than residual costs amounting to USD 93,651, which continue to be recognized as construction work in progress in the accompanying financial statements.

Breakup of construction in progress for the year ended 31st March 2026 is as follows,

Particulars	**CIP as of 31st March 2025**	**Additions during the year**	**Transfers to PPE during the year**	**CIP as of 31st March 2026**
Project 1**	153,140,976	111,284,878	-	264,425,854

** The Project remains in the construction phase, and the Company continues to capitalize all costs directly attributable to the Property, Plant, and Equipment under construction, treating the entire development as a single integrated project.

4.2. Intangible Assets

Intangible assets (which are carried at cost) as of 31st March 2026 and 31st March 2025 are as follows:

	As of 31st March, 2026	**As of 31st March, 2025**
Software	$ 28,850	-
Intangible Assets – gross	$ 28,850	-
Less: Accumulated amortization	($ 801)	-
Intangible Assets - net	**$ 28,049**	**-**

Amortization expenses were $ 801 and Nil for the year ended 31st March 2026 and 31st March 2025 respectively.

The Company has assessed the useful life of software based on the expected period over which future economic benefits are anticipated to be derived from the asset. Accordingly, software assets are amortized over an estimated useful life of 3 years on a systematic basis.

Note 5: Lease

Lessee Accounting

Contracts are assessed by the Company to determine if the contract conveys the right to control an identified asset in exchange for consideration during a period of time. The Company classifies all identified leases as either operating or finance lease.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with terms of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant, and equipment.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

The Company's lease liability is determined by discounting the future cash flows over the lease period, for lease liabilities at the commencement of the lease, the lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

The Company has entered into a lease agreement for the leasing of a chemical manufacturing facility ("New Martinsville Plant"), including associated buildings and structures. Under the terms of the agreement, the Company is permitted to construct, own, and operate a facility at the site for the production of malic acid, fumaric acid, maleic anhydride, and other chemicals as approved by the landlords, with an initial monthly base rent of $16,776.98 per acre. The lease term is 30 years, with an option to renew for four additional successive periods of 10 years each. The lease is non-cancellable by the lessor, except under specific protective clauses. Upon commencement of commercial operations, the base rent will be subject to an annual escalation of 2%. The lease agreement also includes a service arrangement whereby the landlord provides various ancillary services such as electrical energy, plant water, wastewater treatment, and rail car movement. While certain service payments are fixed, they are not considered part of the lease component, as the Company does not have the right to control the use of the related equipment. Accordingly, these payments are treated as non-lease components.

The classification of a lease of land is assessed based on general classification guidance. An important consideration is that land normally has an indefinite economic life. However, the fact that the lease term is normally shorter than the economic life of the land does not necessarily mean that a lease of land is always an operating lease; the other classification requirements are also considered. As per ASC 842-10-25-2, the company believes classification of this lease of land as a finance lease would be more appropriate since the total lease term is 70 years which according to the company forms a major part of the remaining economic life of the asset.

As the implicit rate is not readily determinable, the Company has used an incremental borrowing rate (IBR) to measure the lease liability and right-of-use asset. Given the lease term of 70 years, and the unavailability of long-term market rates beyond 30 years, management has estimated the IBR based on the 30-year U.S. Federal Treasury rate of 3.7% as of December 2022, plus a credit spread of 186.5 basis points, resulting in a discount rate of 5.56%.

As of 31st March 2026, and 31st March 2025, the company has recognized Right-Of-Use (ROU) Asset and liabilities as follows,

	As of 31st March, 2026	**As of 31st March, 2025**
ROU Asset	$ 7,417,285	$ 7,698,482
Lease Liability	**$ 8,633,031**	**$ 8,529,118**
Current	-	-
Non-Current	$ 8,633,031	$ 8,529,118

Maturities of the financing lease liability and minimum payments for the lease having initial or remaining non-cancellable terms in excess of one year as of March 31, 2025, were as follows

Year ending March 31	**Amount**
2027	$ 281,825
2028	$ 342,700
2029	$ 349,554
2030	$ 356,545
2031	$ 363,676
Thereon	$ 44,452,851
Subtotal	$ 46,147,150
Less: Imputed Interest	($ 37,514,119)
Total Minimum Lease Payments	**$ 8,633,031**

Amortization of Right-of-use assets recognized in the Statement of operations for the year ended 31st March 2026 and 31st March 2025 are USD 115,242 and USD 108,535 respectively.

Details of other operating leases are as follows,

1. Lease of seventeen apartments: Operating lease with lease term of less than 12 months. Total rent recognized for the year ended 31st March 2026 is USD 132,233 (disclosed under General and admin expenses in the statement of operations).

In accordance with the accounting policy election permitted under ASC 842, the Company has elected not to recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less that do not include a purchase option reasonably certain to be exercised. Lease payments associated with such short-term leases are recognized as an expense on a straight-line basis over the lease term.

Note 6: Capital Advances

As of March 31, 2026, the Company has recorded total capital advances amounting to USD 3,250,547 (March 31, 2025: USD 39,256,874), representing the amount of advances remaining unadjusted as of the reporting date. These advances relate to payments made to vendors towards the procurement of capital goods and services.

Of the total capital advances:

- USD 2,238,696 is advance paid to TCL Technology and engineering, a division of the ultimate holding company in India. The advance has been paid as per the terms of payment agreed in the Master supply agreement dated 1st June 2021 along with its various modifications between TCL Specialties LLC and TCL Technology and Engineering. For presentation of financial statements, the amount payable to TCL Technology and Engineering has been set off against the advance paid to it. (Refer note 8.1.1)

- In addition, during the year ended March 31, 2026, the Company recognized additions to property, plant and equipment as "Goods in transit" amounting to USD 838,200 in respect of capital goods dispatched by certain third-party vendors. In accordance with the agreed upon purchase order terms, the risks and rewards of ownership transferred to the Company upon dispatch, although the goods had not been physically received as of the reporting date. Accordingly, related capital advances of USD 745,143 were reclassified and capitalized as part of the cost of the assets, while the remaining USD 93,057 representing the unpaid portion, is reported under current liabilities within "Provisions". Further, capital advances amounting to USD 30,025 have been offset against third-party provisions relating to materials received at the Company's facility for which goods receipt entries have been recorded pending recognition of the corresponding accounts payable balances. Such offset has been presented based on the existence of legally enforceable rights of set-off against such balances

Balance sheet presentation as of March 31, 2026, is as follows,

Particulars	Amount
Total advances remaining unadjusted as of March 31, 2026	$ 3,250,547
Offset against payable to TCL Technology and Engineering (Refer 8.1.1)	($ 2,238,696)
Offset against Goods-in-Transit provision	($ 745,143)
Offset against provision	($ 30,025)
Capital advances presented under non-current assets	**$ 236,683**

Note 7: Current and Long-Term Financing
The following table summarizes the Company's available and outstanding borrowings:

	As of 31st March, 2026		**As of 31st March, 2025**	
Secured	**Current**	**Non-Current**	**Current**	**Non-Current**
Loan From EXIM	-	$ 61,994,549	-	$ 51,538,961
Loan from The Huntington Bank	$ 14,993,733	-	$ 14,978,123	-
Unsecured				
Bridge Loan from TCL Inc	$ 6,639,138	-	-	-
Total Finance	**$ 21,632,871**	**$ 61,994,549**	**$ 14,978,123**	**$ 51,538,961**

Secured Loans:

7.1. Loan from EXIM (Export Import Bank of India)

a. The Company has been sanctioned a term loan facility aggregating to USD 65 million by Export-Import Bank of India for financing the development of its ongoing project. As of March 31, 2026, an aggregate amount of USD 64 million has been disbursed under this facility.
b. The loan carries a moratorium period of 24 months commencing from December 31, 2025, with quarterly principal repayments commencing on January 1, 2028. Interest is payable on a quarterly basis at a mutually agreed rate of 3-month SOFR plus 355 basis points up to December 31, 2024, and at 3-month SOFR rate plus 385 basis points thereafter. All interest incurred up to March 31, 2026, has been capitalized as borrowing costs in accordance with the guidance under ASC 835-20.
c. The loan is secured by,
    i. First pari-passu charge on the moveable fixed assets of the company except, leasehold land and already existing structures thereon and lien marked assets in favour of the state of West Virginia.
    ii. Negative lien on shares held by Thirumalai Chemicals Limited, India in TCL Specialties LLC through its holding companies, TCL Global B.V, Netherlands; TCL Inc, United States
    iii. Unconditional and irrevocable corporate guarantee of M/s. Thirumalai Chemicals Limited, India till the currency of the loan.

b. Total interest of USD 5,239,435 for the period ended March 31, 2026, has been capitalized as borrowing costs in accordance with ASC 835-20.
d. The repayment schedule for the USD 64 million loan disbursed thus far is as follows:

Year	Principal	Interest
2023-2024	-	$ 1,904,766
2024-2025	-	$ 3,719,810
2025-2026	-	$ 5,239,435
2026-2027	-	$ 5,662,323
2027-2028	$ 4,800,000	$ 5,660,084
2028-2029	$ 9,600,000	$ 4,971,941
2029-2030	$ 11,200,000	$ 4,112,883
2030-2031	$ 14,400,000	$ 3,011,446
2031-2032	$ 16,000,000	$ 1,630,899
2032-2033	$ 8,000,000	$ 271,426
Total	**$ 64,000,000**	**$ 36,185,013**

Note: As the loan carries a floating interest rate, a fixed interest repayment schedule is not provided in the agreement. The interest amounts presented have been estimated based on the prevailing benchmark rates as of the respective disbursement dates for illustrative purposes only.

7.2. Loan from the Huntington Bank (Delayed Draw Term Loan)

a. On May 19, 2022, the company was sanctioned a construction loan by the West Virginia Economic Development Authority (WVEDA) amounting to USD 15 million. Although the loan is available upon project completion, WVEDA agreed to facilitate project financing during the construction phase through an interim loan arrangement with Huntington Bank, acting as the interim lender. Under this structure, WVEDA will deposit USD 15 million as cash collateral, against which Huntington Bank will disburse the loan in tranches to the company.
b. The interim facility is structured as a delayed draw, interest-only loan, with quarterly interest payments and a single bullet repayment of the principal on the maturity date—coinciding with the conversion of the WVEDA loan into a permanent facility.
c. Interest is payable at 3-month SOFR plus 111.5 basis points, payable quarterly.
d. The company has designated June 30, 2026, as the project completion date. On this date, the interim loan will be fully settled using the cash collateral provided by WVEDA. Subsequently, the permanent loan from WVEDA will commence, to be repaid in 60 equal quarterly installments of principal and interest (Refer Note 7.3).
e. The interim loan is secured by the cash collateral provided by WVEDA (Refer Note 2 and Note 7.3).
f. Total interest of USD 920,242 for the period ended March 31, 2026, has been capitalized as borrowing costs in accordance with ASC 835-20.
g. The repayment and interest schedule are as follows,

Year	Principal	Interest
2023-2024	-	$ 300,233
2024-2025	-	$ 1,042,220
2025-2026	-	$ 920,242
2026-2027	$ 15,000,000	$ 252,962
Total	**$ 15,000,000**	**$ 2,515,657**

Note: As the loan carries a floating interest rate, a fixed interest repayment schedule is not provided in the agreement. The interest amounts presented have been estimated based on the prevailing benchmark rates as of the respective disbursement dates for illustrative purposes only.

7.3. Loan from West Virginia Economic development Authority (WVEDA).

a. The Company was sanctioned a USD 15 million construction loan by the West Virginia Economic Development Authority (WVEDA) on May 19, 2022. The loan is structured in two phases. During the construction phase (Phase 1), WVEDA has deposited the full loan amount as cash collateral with Huntington Bank, which acts as the interim lender and disburses the loan in tranches to the Company. Upon project completion, this arrangement will convert into a permanent loan (Phase 2) with a term of 15 years.

b. Interest during Phase 1 is payable quarterly to WVEDA at a fixed rate of 2% per annum. After conversion to a term loan (Phase 2), interest will be charged at the higher of (i) the 20-year U.S. Treasury rate plus 0.75% per annum or (ii) 2.75% per annum. The Company expects to complete the construction phase by December 2025, with quarterly principal repayments commencing from March 2027 after a one-year moratorium.

c. As of the reporting date, the Company remains in Phase 1. Accordingly, the cash collateral provided by WVEDA has been presented as “Restricted Cash” in the balance sheet (Refer Note 2), with a corresponding liability recorded as “Obligation against Cash Collateral” under other financial liabilities (Refer Note 8).

d. The loan is secured by a second-priority interest in the Cash Collateral Account and a first-priority security interest in the Company’s equipment, machinery, and fixtures located at the project site, excluding assets already pledged to the Ohio Valley Industrial & Business Development Corporation. These security interests are shared on a pro-rata basis with the Export Import Bank of India (EXIM).

e. Total interest of USD 534,851 for the period ended March 31, 2026, has been capitalized as borrowing costs in accordance with ASC 835-20.

f. The repayment and interest schedule are as follows,

Year	Principal	Interest
2023-2024	-	$ 178,856
2024-2025	-	$ 527,507
2025-2026	-	$ 534,851
2026-2027	-	$ 535,987
2027-2028	$ 619,094	$ 531,643
2028-2029	$ 854,738	$ 502,490
2029-2030	$ 886,473	$ 471,911
2030-2031	$ 920,875	$ 440,254

2031-2032	$ 999,615	$ 406,751
Thereon	$ 10,719,205	$ 1,816,260
Total	**$ 15,000,000**	**$ 5,946,510**

Note: As the loan carries a floating interest rate, a fixed interest repayment schedule is not provided in the agreement. The interest amounts presented have been estimated based on the prevailing benchmark rates as of the respective disbursement dates for illustrative purposes only.

7.4 Bridge Loan from TCL Inc.

a. The Company has entered into an intercompany loan agreement on February 19, 2026, with its parent, TCL Inc., for a loan facility of USD 10 million to finance capital expenditure and vendor payments. As of March 31, 2026, an aggregate amount of USD 6.6 million has been disbursed under this facility.
b. The loan is repayable within 11 months from the date of the agreement and carries interest at 6-month SOFR plus 345 basis points per annum, payable on a quarterly basis.
c. The loan is unsecured and not supported by any collateral or third-party guarantees and accordingly ranks pari passu with the Company's other unsecured obligations.
d. Total interest of USD 39,168 for the period ended March 31, 2026, has been capitalized as borrowing costs in accordance with ASC 835-20.

Note: Management evaluated the accounting treatment of the related party borrowing in accordance with applicable guidance under United States Generally Accepted Accounting Principles and concluded that the carrying amount of the loan approximates its fair value due to its short-term maturity. Accordingly, the loan has been accounted for at the outstanding principal amount together with accrued interest and has not been subject to discounting or amortized cost accounting using the effective interest method, as the impact of such adjustments would be immaterial to the accompanying financial statements

Note 8: Other Financial Liabilities

Breakup of other financial liabilities for the year ended 31st March 2026 and 31st March 2025 are as follows,

	As of 31st March, 2026		**As of 31st March, 2025**	
	Current	**Non-current**	**Current**	**Non-current**
Capital Creditors (Refer 8.1.2)	$ 21,845,523	-	$ 7,025,575	-
Loan from WVEDA – Obligation against Cash Collateral (Refer Note No.7.2 & 7.3)		$ 15,406,582	-	$ 15,296,134
Other Payables	$ 27,297	-	$ 6,093	-
Total	**$ 21,872,820**	**$15,406,582**	**$ 7,031,668**	**$ 15,296,134**

8.1. Capital Creditors

Capital creditors amounting to USD 24,114,944 /- represent the creditors for capital goods and services. These creditors arise from transactions related to the acquisition, construction, or improvement of tangible assets (capital work in progress). Management monitors the company's obligations to capital creditors and assesses its ability to meet these obligations as they become due. This involves evaluating cash flow forecasts, liquidity reserves, and overall financial performance to ensure sufficient resources are available for timely payment

8.1.1. Offsetting of Advances and Payables with Related Party

As of 31st March 2026, the company had total payables of USD 7,979,851 to its ultimate holding company and its division, comprising:

- USD 718,584 payable to Thirumalai Chemicals Ltd (ultimate holding company)
- USD 7,261,267 payable to TCL Technology and Engineering (a division of the ultimate holding company).

The amount payable to TCL Technology and Engineering arises under the Master Supply Agreement dated June 1, 2021 (as amended) for asset development in India. Against this, the Company had advanced USD 2,238,696 (refer Note 6 - Capital Advances).

Pursuant to the terms of the agreement, which provides a legally enforceable right of setoff, and consistent with management's intent to settle on a net basis, the advance has been offset against the payable. The unadjusted balance of USD 5,022,571 is presented as capital creditors within other financial liabilities as per guidance provided by ASC 210.

A summary of the gross and net amounts is as follows:

Particulars	Gross Amount (USD)	Amount Offset (USD)	Net Amount (USD)
Capital Advance Receivable	$ 2,238,696	($ 2,238,696)	-
Payable to TCL (Technology and Engineering)	$ 7,261,267	($ 2,238,696)	$ 5,022,571

8.1.2. Balance sheet presentation of capital creditors as of March 31, 2026, is detailed as follows,

Amount payable to TCL (Technology and Engineering) after offset (refer 8.1.1)	$ 5,022,571
Amount payable to Thirumalai Chemicals Ltd (ultimate holding co)	$ 718,584
Amount payable to others	$ 16,104,368
Capital Creditors as of March 31, 2026	**$ 21,845,523**

Note 9: Other non-current liabilities
Loan from OHIO Valley Industrial and Business Development Corporation (OVIBDC)

a. The company has acquired a performance-based financial assistance package of USD 2.8 Million and USD 2 Million on 3rd May 2023 and 30th January 2024 respectively.
b. The loans have been granted for the purpose of acquisition of site improvement infrastructure assets and has been granted as a forgivable loan upon fulfillment of the below conditions,
   i. Capital investment of USD 110 Million and
   ii. Employment of at least 30 full-time employees earning an average salary of USD 40,000 plus benefits.
c. The entire loan of USD 4.8 Million will be forgiven on the 1st of January 2028 subject to the fulfillment of the above-mentioned conditions.
d. Since there is reasonable assurance that the company will satisfy all the above-mentioned conditions, the entire loan has been treated as a Deferred income grant. It will be written off on a systematic basis over the useful life of the asset.
e. The company is still in its construction phase and hence has not capitalized any assets so far. As a result, no proportion of the deferred income grant has been charged to revenue.
f. Since the entire loan has been treated as a grant, no interest has been accrued for the year ended 31st March 2026.

Note 10: Members' Interest
As per the Amended and Restated Limited Liability Company Agreement of TCL Specialties LLC ("LLP Agreement"), the company is authorized to issue 100 Units representing all of the membership interests in the Company. As of April 25, 2023, all 100 units have been issued to, and are owned by, the member. All the 100 units have been allotted to TCL Inc, United States, as per the LLP Agreement.

For the period ended March 31, 2026, the Company received an additional capital contribution of USD 45.74 million (USD 50.2 million during the period ended March 31, 2025) to support its operational activities and strengthen its initial financial position. This amount has been presented as a capital contribution in the statement of changes in members' interests.

10.1. Waiver of Guarantee Fee by Ultimate Holding Company
TCL Specialties LLC was required to pay guarantee fees to TCL, India for providing a corporate guarantee on a USD 65 million term loan from the Export Import Bank of India. During the reporting period, TCL, India also issued an additional guarantee to Standard Chartered Bank in connection with an interest rate swap used to hedge interest rate exposure.

During the reporting period ended 31st March 2026, Thirumalai Chemicals Limited (TCL), India—the ultimate holding company—extended its decision to waive the collection of guarantee fees until 30th June 2026. This waiver was originally granted up to 31st December 2024 in view of the then-expected commencement of operations. However, with the revised schedule for commencement of operations now set for 30th June 2026, the waiver period has also been accordingly extended to support the Company's continued pre-operational phase and financial stability.

In line with this continued support, the ultimate holding company waived guarantee fees amounting to USD 376,911 during the year ended 31st March 2026. As of the reporting date, the cumulative amount of guarantee fees waived aggregates to USD 2.22 million.

The impact of the waiver of guarantee fees on the financial statements is as follows:

The waived guarantee fees have been recorded as additional capital contribution in the balance sheet. The entity has disclosed the details of the waiver of guarantee fees and its treatment as "other contributions – guarantee fee waived" in the "statement of changes in Members' interest" for the reporting period.

Note 11: Related party transactions

a. Names of related parties and nature of relationship:

Name of the related party	Nature of relationship
Thirumalai Chemicals Limited, India	Ultimate holding company
TCL Technology and Engineering, India	Division of Ultimate holding company
TCL Global B.V, Netherland	Holding company
TCL INC, USA	Holding company in USA
Optimistic Organic SDN BHD, Malaysia	By virtue of common control – Joint venture (JV) of ultimate holding company.
Gayathri Pravin	Director in TCL Inc & President of TCLS LLC, Key Managerial Personnel (KMP)

b. Transactions with related parties for the year ended 31st March 2026 and 31st March 2025 are as follows,

Particulars of transaction	Name of the Related party	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Remuneration to KMP	Gayathri Pravin	$ 166,846	$ 150,000
Reimbursement of expenditure	Gayathri Pravin	-	$ 32,292
Development of Plant and machinery	TCL Technology and Engineering, India	$ 38,045,159	$ 5,074,936
Purchase of Fixed Assets	TCL Technology and Engineering, India	$ 45,304,378	$ 28,883,397
Purchase of Fixed Assets	Thirumalai Chemicals Limited, India	$ 560,136	-

Sale of Materials	Thirumalai Chemicals Limited, India	$ 9,181	-
Reimbursement of expenditure	Thirumalai Chemicals Limited, India	-	$ 1,367,443
Reimbursement of expenditure	Thirumalai Chemicals Limited, India	-	$ 134,815
Purchase of Fixed Assets	Optimistic Organic SDN BHD, Malaysia	$ 6,609	-
Reimbursement of expenditure	Optimistic Organic SDN BHD, Malaysia	$ 9,761	-
Purchase of Consumables	Optimistic Organic SDN BHD, Malaysia	$ 3,986	-
Interest Accrual	TCL Inc, USA	$ 39,168	-
Advance paid for development of Plant and machinery	TCL Technology and Engineering, India	$ 6,957,319	$ 30,959,788
Receipt of Loan	TCL Inc, USA	$ 6,599,970	-
Capital Infusion	TCL Inc, USA	$ 45,741,114	$ 50,209,668
Capital Infusion by way of Guarantee fee waiver	Thirumalai Chemicals Limited, India	$ 376,911	$ 775,185
Amounts advanced	TCL Inc, USA	$ 35,397	$ 20,049

c. **Balances with related parties**

Particulars of transaction	Name of the Related party	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Advance paid pending adjustment	TCL Technology and Engineering, India	$ 2,238,721	$ 36,178,929
Capital Creditors	TCL Technology and Engineering, India	$ 7,167,615	$ 2,836,273
Unbilled Payable	TCL Technology and Engineering, India	$ 93,651	$ 38,070,432
Capital Creditors	Thirumalai Chemicals Limited, India	$ 718,584	$ 158,448
Accounts Payable	Optimistic Organic SDN BHD, Malaysia	$ 13,747	-
Loan Payable	TCL Inc, USA	$ 6,599,970	-
Interest Payable	TCL Inc, USA	$ 39,168	-
Other Receivables	TCL Inc, USA	$ 61,446	$ 26,049

Note 12: Income Taxes

TCL Specialties LLC is a single-member limited liability company wholly owned by TCL Inc. For U.S. federal and state income tax purposes, TCL Specialties LLC is classified as a **disregarded entity**, and therefore its financial results are included in the income tax filings of its sole member, TCL Inc.

As TCL Specialties LLC is not a separate taxpaying entity, it does not record income tax expense or benefit in its standalone financial statements under ASC 740, *Income Taxes*. The recognition of current and deferred tax amounts associated with TCL Specialties LLC's operations is made entirely in the financial statements of TCL Inc.

Accordingly, while the LLC's activities may give rise to taxable income and deductible temporary differences or net operating losses, the resulting tax impacts such as current tax liabilities or deferred tax assets are not reflected in these financial statements, but rather in the financial statements of TCL Inc., the tax-reporting entity.

Note 13: Commitments and Contingencies

The Company utilizes letters of credit to provide security for obligations under the project-related contract. The balances of such obligations for the period ended 31st March 2026 are as follows.

Letter of credit

				In millions
	Balance as of 1st April 2025	**Issued**	**Closed**	**Balance as of 31st March 2026**
Letters of credit	$ 1.19	-	$ 1.19	-

Future non-cancellable lease payments:

		In millions
	As of 31st March 2026	**As of 31st March 2025**
Lease payments	$ 46.15	$ 46.95

Note 14: Concentrations of Credit Risk

Financial instruments that potentially expose the Company to credit risk primarily include cash and cash equivalents and accounts receivable. To mitigate concentration risk, the Company maintains its cash deposits across two financial institutions. While these deposits are primarily held in FDIC-insured accounts, they may at times exceed federally insured limits. Management believes both financial institutions are of high credit quality, thereby reducing the overall credit risk. As the Company is currently in its construction phase and has not commenced revenue-generating operations, there are no accounts receivable as of the reporting date.

Note 15: Supplemental Disclosures of Cash Flow Information

Supplemental Cash Flow Information:

Particulars	**Amount**
Cash paid for interest during the year	$ 5,876,233

Supplemental Noncash Investing and Financing Activities:

Particulars	Amount
Decrease in right-of-use assets obtained in exchange for lease liabilities due to lease modification	$ 165,952

During the year, the Company revised its scheduled commercial operations date from December 31, 2025, to June 30, 2026. In accordance with the terms of the existing lease agreement, lease payments were contractually linked to the commencement of commercial operations. The change in timing resulted in a remeasurement of the right-of-use asset and corresponding lease liability, decreasing their carrying amounts by $ 165,952. This remeasurement was a noncash transaction with no impact on current-period cash flows.

Note 16: Operational Outlook

As of March 31, 2026, the Company's current liabilities exceeded its current assets, primarily on account of borrowings and project-related obligations falling due within the next twelve months, while the project is yet to commence commercial operations. The Company continues to make significant progress towards the completion of the project and is confident of commencing commercial operations by June / July 2026.

The management has evaluated the projected funding requirements, including anticipated project cost overruns, expenses during commissioning and ramping up stage, and working capital margin requirements. The management is confident of securing the additional funding required to offset the current deficit and support the completion of the project. In this regard, the Company has entered into preliminary engagement arrangements with external parties for raising the required funds. Further, the promoters and stakeholders continue to extend their financial and operational support to the Company in meeting its obligations as and when they fall due.

The Company has also prepared detailed business plans and revenue forecasts for the initial years of operations. In addition, the management has identified prospective customers and business opportunities that are expected to generate revenue upon commencement of commercial production, and discussions with such customers are at various stages of progress.

Considering the expected commencement of operations, anticipated revenue generation, availability of additional funding and continued stakeholder support, management believes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements have been prepared on a going concern basis.

Note 17: Subsequent Events

In preparing the financial statements the Company has evaluated events and transactions for potential recognition or disclosure through May 28, 2026, the date that the financial statements were available to be issued.